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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR NICARAGUA

Note by the Administrator

I. PREPARATORY PROCESS

1. The advisory note which was submitted to the Government in September 1991 was the basis for the dialogue that took place with the Government. This dialogue culminated with a Ministerial Cabinet meeting with the international community to analyse the supply and demand for cooperation.

2. The fifth country programme reflects the conclusions and recommendations of the mid-term review of the fourth country programme.

II. ANALYTICAL COMMENTARY ON THE COUNTRY PROGRAMME

3. The objective of the fifth country programme, which covers the period 1992-1996, is to support the Government's post-war National Reconstruction Plan aimed at human development without poverty, particularly with respect to the formulation and implementation of policies aimed at the achievement of this goal.

4. The strategy for the country programme is to structure programmes around the four areas of concentration taking into account the following: the need for civic training for the peaceful resolution of conflict; strengthening of the management capacity of the executive, legislative and judicial branches of Government; community participation in projects on infrastructure, rural/urban

training, ecological management, productive activities, and social/cultural development; specific projects for urban development; support to ecological strategies and preservation of the environment; integration of women in the development process; attention to the special needs of childhood, youth, disabled and the aged; and the development and adaptation of technologies to increase the competitiveness of the small producers in the context of a free market economy.

5. The first area of concentration, national reconciliation, responds to the objectives of the National Reconstruction Plan. It envisages the strengthening of the different branches of the State, support for the decentralization process, municipal and regional development, and reinsertion of the populations uprooted by the civil war. This area will be assigned 21.4 per cent of the combined IPF and cost-sharing resources.

6. The area of economic stabilization and support to the structural adjustment programme assists these two programmes, which were initiated in March 1991 with the support of the World Bank. The Management Development Programme (MDP) mission determined the needs for technical assistance to strengthen the management capacity of the public sector and will facilitate the coordination among donors and the executing units of the macroeconomic sector. This area envisages capacity-building in key ministries responsible for the formulation and implementation of economic policies; support for the design and implementation of the national privatization programme; and institutional strengthening of the Ministry of External Cooperation, including its capacity to programme, monitor and evaluate projects. This area will have 17.7 per cent (as per annex I to the country programme) of the combined IPF and cost-sharing resources.

7. The third area, reactivation of the productive sectors, trade and competitive reinsertion in the external market, will support the Government's efforts to stimulate private initiative, restore the economic infrastructure, and activate technology development and the ecological potential. This will entail support for the design and implementation of strategies and policies for industrial rehabilitation, technological development and stimulation of the export sector; support for the design and implementation of the national programme for the external sector; support in the creation of a data bank on productive investment projects and development of a pre-investment fund; and support for the design and implementation of productive projects. This area will command 21.3 per cent of the combined IPF and cost-sharing resources.

8. The last area of concentration, social development and poverty alleviation, responds to the Government's strategy for human development without poverty. The UNDP programme will be used to develop a strategy for human and community development to enable the poor to lead their own development processes within the context of a free market economy. The following is envisaged: support in the management of medium and long-term integrated social programmes with an emphasis on expenditure rationalization, impact and community participation; support for the design and implementation of sectoral health, education, habitat, and disaster prevention plans; and

direct support for projects on nutrition, health, water, sanitation, education, housing, employment and compensation for the negative impact of the adjustment.

9. The Administrator notes with pleasure that the fifth country programme will address national reconciliation objectives and that there is a direct correlation between the areas of concentration of the fifth country programme and the national development priorities. The areas of concentration also coincide with two out of the six United Nations goals contained in General Assembly resolution 42/211 and the priorities set by the Governing Council of UNDP in decision 90/34, namely, development management and poverty alleviation.

10. The country programme will be the guiding force for the United Nations Capital Development Fund and the United Nations Development Fund for Women (UNIFEM) programmes, as well as linkages with the Special Plan of Economic Cooperation for Central America, the regional programme, and other United Nations programmes, particularly those assisted by JCGP agencies.

11. The UNDP programme will act as seed money to mobilize resources in the areas of concentration.

III. MANAGEMENT OF PROGRAMME IMPLEMENTATION

12. The management of the fifth country programme will be based on strategy formulation within the framework of global development policies; national execution in those instances where there is an institutional capacity, as well as execution by the United Nations and other agencies; utilization of UNDP resources as seed capital to mobilize other resources; emphasis on technical assistance and training, leaving the financing of equipment to other financing sources; and the priority given to projects that mobilize financial resources for the country.

13. The Ministry of External Cooperation, UNDP, and donor countries and agencies will form part of the Advisory and Coordination Committees of the National External Cooperation Plan, which will create the mechanisms for joint operation that will allow the implementation of the management arrangements proposed in the country programme and described in this section.

14. The fifth country programme will have a "programme approach" with three lines of action that permeate the four areas of concentration: (a) management development for the formulation and coordination of global public policies; (b) institutional strengthening through training of human resources; and (c) transfer of technical know-how to stimulate community participation in the consolidation of the national reconstruction process. There will also be an integrated approach including institutional modernization and support for the formulation and implementation of investment policies, plans and projects for the following sub-programmes: management development of the public sector (macroeconomic), and programmes of support to the agricultural sector, foreign trade and social development/poverty alleviation.

15. The Government and the Resident Representative will analyse the various options to implement the "programme approach" and propose a strategy that will be useful in the process of matching the supply and demand of external cooperation in Nicaragua.

16. Use will be made of UNDP resources, mechanisms for the procurement of goods and services such as the Management Services Agreements (MSAs), and low-cost implementation modalities such as TCDC, United Nations Volunteers (UNVs), Transfer of Knowledge through Expatriate Nationals (TOKTEN) and United Nations International Short-Term Advisory Resources (UNISTAR) advisers for the private sector.

IV. RECOMMENDATION OF THE ADMINISTRATOR

17. The observations made in the present note reflect the Administrator's belief that the fifth country programme for Nicaragua is relevant in its support to the principal development priorities of the country; follows the recommendations of the UNDP advisory note; is the result of a consensus between the Government and UNDP and reflects extensive coordination with other United Nations agencies and donors; and has the Government's full support to make its implementation possible.

18. For the above reasons, the Administrator recommends that the Governing Council approve the fifth country programme for Nicaragua.